

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Xavier Tancogne

- Individual(s) [checked] Association [ ] General Partnership [ ] Limited Partnership [ ] Corporation-State [ ] Other [ ]

Additional name(s) of conveying party(ies) attached? [ ] Yes [ ] No

2. Name and address of receiving party(ies)

Name: Gapardis Health & Beauty, Inc.

Internal Address: \_\_\_\_\_

Street Address: 4686 NW 74th Ave

City: Miami State: FL Zip: 33166

- Individual(s) citizenship [ ] Association [ ] General Partnership [ ] Limited Partnership [ ] Corporation-State Florida [checked] Other [ ]

If assignee is not domiciled in the United States, a domestic representative designation is attached: [ ] Yes [ ] No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [ ] Yes [ ] No

3. Nature of conveyance:

- Assignment [checked] Merger [ ] Security Agreement [ ] Change of Name [ ] Other [ ]

Execution Date: April 13, 2000 (effective date)

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,497,918

Additional number(s) attached [ ] Yes [checked] No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Andrew Ransom

Internal Address: \_\_\_\_\_

Street Address: Malloy & Malloy, P.A. 2800 SW 3rd Avenue

City: Miami State: FL Zip: 33129

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41) \$ 40

- Enclosed [checked] Authorized to be charged to deposit account [ ]

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Andrew W. Ransom Name of Person Signing

Signature

6/20/2002

Date

Total number of pages including cover sheet, attachments, and document:

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

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## EXCLUSIVE DISTRIBUTION AGREEMENT

This Agreement is made by and between Xavier Tancogne **Continental Laboratoires Medica**, ("CLM"), whose address is Centre Neptune-Rue des Maraichers - 33260 LA TESTE-FRANCE, and **Gapardis Health & Beauty, Inc.**, a Florida corporation ("Distributor"), whose address is 7494 N.W. 54 Street, Miami, Florida, in Miami-Dade County, Florida, as of April 13, 2000.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the parties hereby agree and contract as follows:

1. **Scope.** CLM hereby engages Distributor, and Distributor hereby accepts such engagement, to be the exclusive distributor of certain cosmetic products bearing the Fair & White™ Trademark on behalf of CLM, in accordance with the terms and conditions set forth in this Agreement.

2. **Duties.** Distributor shall have the right, but not the obligation, to purchase and distribute, on an exclusive basis within the territory defined below, CLM's cosmetic products bearing the Fair & White™ Trademark. Prices will be set by CLM, after consultation with and input from Distributor.

3. **Exclusive Territory.** Distributor's exclusive territory shall be the United States, Canada and the Caribbean Islands.

4. **Expenses.** Distributor shall be solely responsible for paying all expenses incurred by Distributor or Distributor's subagents or contractors in performing this Agreement.

5. **Term.** The term of this Agreement shall commence on the date set forth above, and shall continue for a period of five (5) years. This Agreement shall automatically renew for a second five (5) year term, unless either party gives the other notice to the other of its intention to terminate the Agreement upon the expiration of the first term at least 180 days prior to the expiration of the first term.

6. **Termination.** This Agreement shall be terminated immediately and without notice upon either parties' bankruptcy or insolvency. This Agreement may be terminated by CLM for cause in the event Distributor breaches any provision of this Agreement, if, after 30 days written notice of a default by CLM to Distributor, Distributor fails to cure the default within said 30 days. This Agreement may be terminated by Distributor for cause in the event Distributor breaches any provision of this Agreement, if, after 30 days written notice of a default by Distributor to CLM, CLM fails to cure the default within said 30 days.

7. **Restrictions on Sales.** All sales leads outside Distributor's territory shall be referred to CLM.

8. **Samples.** CLM shall furnish Distributor such product samples as CLM deems sufficient from time to time. All inventory and samples so furnished shall remain the property of CLM, and may not be sold without the prior written consent of CLM.

9. **Independent Contractor Relationship.** Distributor is an independent contractor and is not an employee, servant, partner or joint venturer of CLM. CLM shall determine the services to be provided by Distributor, but Distributor shall determine the legal means by which it accomplishes the services in accordance with this Agreement. CLM is not responsible for withholding, and shall not withhold or deduct from the commissions, FICA or taxes of any kind, unless such withholding becomes legally required. Distributor is not entitled to receive and shall not be entitled to workers compensation, unemployment compensation, medical insurance, life insurance, paid vacations, paid holidays, pension, profit sharing, or Social Security on account of his or her services to CLM.

10. **Covenants of Distributor.** Distributor covenants and agrees to with CLM as follows, and Distributor acknowledges that CLM would not be entering into this Agreement if Distributor had not made these covenants:

a. Distributor will not at any time, during or after the term of this agreement, directly or indirectly divulge or otherwise disclose to anyone other than an employee of CLM the names or addresses of customers or potential customers of CLM, any contents of files maintained by CLM or by Distributor for CLM, prices and pricing policies of CLM, procedures and policies of CLM, or other information which is confidential or proprietary to CLM, unless CLM gives its prior written consent to such disclosure.

b. All books, records, notes, reports, copy, advertising, contracts, order, draft, accounts, documents and other information or writings relating to CLM or its customers, employees, sales representatives, or agents, whether prepared by Distributor or otherwise coming into the possession of Distributor, is and shall remain the exclusive property of CLM and shall be returned to CLM upon demand.

c. Distributor shall report all violations of CLM's copyrights and other proprietary rights in its products and other works immediately upon discovery of such violations by Distributor.

d. Distributor acknowledges that each of the foregoing matters is important and material to the business and success of CLM and agrees that

any breach of this paragraph is a material breach of this Agreement, from which Distributor may be enjoined.

11. **Arbitration.** Any dispute, action or claim between the parties shall be resolved by binding arbitration conducted in Miami-Dade County, Florida, utilizing the American Arbitration Association. The proceeding shall be governed by the commercial arbitration rules of the American Arbitration Association; provided, however, the parties shall fully cooperate and take such action as is necessary to allow each party to conduct full discovery as provided for by the rules of civil procedure for United States District Court, including but not limited to rules 26 through 37. Either party may commence an action in a court of competent jurisdiction in Miami-Dade County, Florida, for the purpose of obtaining and enforcing the rights to discovery as provided for in this agreement.

12. **Trademark Rights/Temporary Assignment.** While this Agreement is in effect, and until such time as it is terminated or expires, Distributor shall use the Fair & White™ Trademark within the territory. CLM hereby assigns all rights, title and interest in and to the Fair & White™ Trademark insofar as it relates to the territory, together with the goodwill of the business symbolized by said mark in the territory, including any trademark registration(s) obtained on said mark in the territory. Upon termination or expiration of this agreement, Distributor shall, upon request, assign to CLM, on or subsequent to the date this Agreement expires or is terminated, all rights, title and interest in and to the Fair & White™ Trademark, together with the goodwill of the business symbolized by said mark in the territory, including any trademark registration(s) obtained on said mark in the territory.

13. **Compliance with U.S. Labeling and Contents Laws.** In connection with all cosmetic products bearing the Fair & White™ Trademark purchased and imported by Distributor, CLM warrants that all such products shall comply with applicable U.S. labeling and contents laws. CLM shall indemnify and hold Distributor harmless for all losses sustained by Distributor from a breach of this warranty, including without limitation losses due to regulatory confiscation or consumer claims, including reasonable attorney's fees at the trial and appellate levels. This right of indemnity, and any claim brought to enforce the warranty made herein, is exempt from the arbitration clause set forth in paragraph 11, above.

14. **Trademark Enforcement Claim.** Distributor has or will commence suit, in its name or on behalf of CLM, to enforce Distributor's exclusive right to use the Fair & White™ Trademark within the territory against I.C.E. Marketing, Jacob Aini, International Beauty Exchange, Mr. Horowitz and/or any affiliates or

co-conspirators (the "Target Defendant"). All fees and costs incurred in connection with this litigation shall be advanced by Distributor. In the event Distributor successfully concludes the litigation via judgment or settlement, Distributor's invoices will be discounted 10% until the fees and costs incurred by Distributor in connection with the litigation are reimbursed to Distributor. Any settlement with the Target Defendant which compromises the exclusive territory granted to Distributor in this Agreement shall be a breach of this agreement, and CLM shall pay Distributor for its lost profits on any sales made by the Target Defendant in the territory.

15. Miscellaneous. Distributor may not assign its rights or delegate its duties under this Agreement without the prior written consent of CLM. CLM's rights and obligations under this Agreement may be assigned and delegated upon notice to Distributor. Waiver by CLM of any breach by Distributor shall not operate or be construed as a waiver of any subsequent breach by Distributor. This Agreement shall be construed and governed in accordance with Florida Law. The prevailing party in any court or arbitration proceeding to enforce this agreement shall be entitled to recover its costs, expert fees and reasonable attorney's fees from the non-prevailing party. There are no contemporaneous oral agreements between the parties which induced either party to enter this agreement. This is the entire agreement between the parties and all prior agreements are merged herein.

READ AND AGREED as of the date set forth above:

CLM:

Continental Laboratoires Medica

By: 

Print Name: X. TANCOIGNE

Print Title: MANAGER

Distributor:

Gapardis Health & Beauty, Inc.

By: 

Print Name: MICHAEL MAURICE FARAH

Print Title: PRESIDENT

Subject to the schedule of purchase attached here to :  
minimum annual quota 



